

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	x	
UNITED STATES OF AMERICA	:	
- v. -	:	
ALBERT BARATOV,	:	15 Cr. 421 (PKC)
	:	
Defendant.	:	
-----	x	

**THE GOVERNMENT’S SENTENCING MEMORANDUM**

**PREET BHARARA**  
United States Attorney  
Southern District of New York  
Attorney for the United States of America

**David Raymond Lewis,**  
Assistant United States Attorney  
- Of Counsel -



U.S. Department of Justice

United States Attorney  
Southern District of New York

The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007

November 30, 2015

By Hand

Hon. P. Kevin Castel  
United States District Judge  
United States Courthouse  
500 Pearl Street  
New York, New York 10007

**Re: United States v. Albert Baratov, 15 Cr. 421 (PKC)**

Dear Judge Castel:

The Government respectfully submits this letter in connection with the sentencing of the defendant, Albert Baratov, which is scheduled for December 12, 2015, at 2:00 p.m.

**A. Preliminary Statement**

On July 1, 2015, defendant Baratov pleaded guilty before Your Honor to a one-count information (the "Information"), charging him with a violation of Title 18, United States Code, Section 1349, based on his participation in a conspiracy to make fraudulent loan applications to federally insured banks.

Baratov entered his guilty plea pursuant to a plea agreement that sets forth the stipulations of the parties that Baratov's adjusted offense level is 24 and his Criminal History Category is III, yielding an applicable Guidelines range of 63 to 78 months' imprisonment and a fine of between \$10,000 and \$100,000. The parties further stipulated that the defendant is subject to \$1,300,000 in restitution and forfeiture, representing the amount of the criminal proceeds that he personally received.

For the reasons set forth herein, the Government respectfully submits that a sentence within the stipulated Guidelines range of 63 to 78 months' imprisonment would be an appropriate sentence here.

**B. Baratov's Criminal Conduct**

**1. The Overall Scheme**

From 2009 to November 2010, Christopher Cavounis led and organized a scheme in which he, Jagdesh Cooma, Thomas Nuccio, Socrates Antoniou, Samuelson Estabillo, Stavros Lampropoulos, and Ruben Rubinov fraudulently obtained at least 16 commercial bank loans and lines of credit, receiving more than \$10 million from eight different lending banks.<sup>1</sup> To induce

---

<sup>1</sup> Cavounis, Cooma, and Nuccio pleaded guilty pursuant to plea agreements, and were sentenced by the Honorable Robert P. Patterson in July 2012. Cavounis was sentenced principally to 97 months of imprisonment, Cooma to 37 months, and Nuccio to 12 months. Antoniou, Estabillo and Lampropoulos were sentenced by different district judges in 2013 to shorter sentences, as set forth in the PSR. Rubinov also pleaded guilty, and is awaiting sentence before the Honorable Victor Marrero.

the lending banks to provide the loans, Cavounis and his co-conspirators prepared and submitted false and misleading applications and supporting documentation for commercial loans on behalf of empty shell companies with no existing businesses or assets. As part of the scheme, Cavounis bribed at least one loan officer at Citibank.

The scheme worked in essentially two steps. In the first step, the co-conspirators fraudulently induced the lending banks to issue loans to bank accounts in the names of the sham companies that had sought the loans. In step two, Cavounis would transfer the loan proceeds to other bank accounts he controlled, usually in the name of additional sham companies, eventually converting most of the proceeds to cash.

As part of the scheme, Cavounis and Cooma recruited and directed individuals to serve as "straw owners" of shell companies applying for loans. Cavounis and these straw owners would meet with bank representatives and sign loan applications and agreements on behalf of the sham companies. The lending banks would then fund the loans, by transferring funds to bank accounts in the names of the fraudulent loan-applicant companies. The straw owners and other participants, including Rubinov, received portions of the ill-gotten loan proceeds.

## **2. Baratov's Role in the Scheme**

Defendant Baratov has admitted to participating in eight of the fraudulent loan applications, which collectively defrauded the banks of \$3,700,000. More than 1/3 of the proceeds – \$1,300,000 – went to defendant Baratov. Baratov has further admitted that his role in the scheme included bringing a corrupt accountant into the scheme, who was able to provide fictitious companies to act as loan applicants.

## **C. Restitution**

In the proposed order of restitution, the Government has limited the proposed restitution to a single bank. That is because this is the only bank that we can identify with certainty as one of the banks defrauded in the eight particular fraudulent loan applications in which Baratov participated. Since that bank alone lost more than the \$1,300,000 provided in the proposed order, we have identified that bank as the only victim entitled to restitution.

## **D. Conclusion**

For the reasons set forth herein, the Government respectfully submits that a sentence within the stipulated Guidelines range of 63 to 78 months' imprisonment would be appropriate.

Respectfully submitted,

PREET BHARARA  
United States Attorney

By: 

DAVID RAYMOND LEWIS  
Assistant United States Attorney  
(212) 637-2397

cc: Albert Dayan, Esq., by ECF & email  
(Counsel for defendant)